

**BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.**

DEPARTMENT OF TRANSPORTATION
98 MAY 19 AM 9: 58
DOCKET SECTION

Application of)
)
North East Cargo Airlines)
)
for renewal of exemption pursuant to)
49 U.S.C. § 40109 to engage in)
charter cargo and passenger service)
between Russia and the United States)
)

Docket OST: 98-3859-1

Application of)
)
North East Cargo Airlines)
)
for a foreign air carrier permit)
to permit it to engage in)
charter cargo and passenger service)
between Russia and the United States)
)

Docket OST 95-412 -3

**APPLICATION OF NORTH EAST CARGO AIRLINES
FOR AN EXEMPTION AND
MOTION FOR A SHORTENED ANSWER PERIOD**

Communications with respect to this document should be sent to:

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The Russian Federation

GLENN P. WICKS

HOGAN & HARTSON
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(202) 637-5683
Counsel for
North East Cargo Airlines

Dated: May 18, 1998

NOTICE: North East Cargo Airlines requests that parties wishing to respond to this Exemption Application do so by May 2, 1998.

**BEFORE THE
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**APPLICATION OF NORTH EAST CARGO AIRLINES
FOR AN EXEMPTION AND
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Pursuant to 49 U.S.C. § 40109 (formerly Section 416 of the Federal Aviation Act of 1958 (“Act”), as amended), North East Cargo Airlines (“North East Cargo”) hereby applies for an exemption from 49 U.S.C. § 41302, (formerly Section 402 of the Act) as initially issued in Order 95-12-18 and renewed in Order 97-4-28, and such other provisions of 49 U.S.C. and the Department of Transportation’s (“Department”) Regulations as may be required, to engage in charter foreign air transportation of persons, property and mail between any point or points in Russia and any point or points in the United States subject to the terms and conditions of Part 212 of the Department’s Regulations and the

U.S.-Russia Bilateral Air Transport Agreement. North East Cargo further requests a shortened answer period so that it might carry out a single cargo charter flight in the near future. 1/

North East Cargo requests that its exemption be granted for period of one year or until 90 days after the transmission of a final order to the President on North East Cargo's outstanding application for a foreign air carrier permit filed in Docket OST 95-412, whichever comes **first**.

In support of this exemption application, North East Cargo submits the following:

1. North East Cargo held exemption authority to engage in charter foreign air transportation of persons, property and mail between any point or points in Russia and any point or points in the United States subject to the terms and conditions of Part 212 of the Department's Regulations and the U.S.-Russia Bilateral Air Transport Agreement for one year. North East Cargo therefore requests this same authority.

2. North East Cargo's original application for a foreign air carrier permit was filed in Docket OST 95-412 and contains **evidentiary** materials required by 14 C.F.R. § 211.20. North East Cargo requests that these evidentiary materials be incorporated into this exemption request by reference, as required, to grant the authority requested herein. North East Cargo states that the evidentiary materials previously filed in Docket OST 95-412 accurately reflect North East Cargo's proposed U.S. operations, with the exception of the following few changes in the key management personnel: **(1) Mr. Michail Umansky** has been replaced as Deputy Director, Flight Operations, by Mr.

1/ North East Cargo requests that the answer period be shortened to May 22, 1998, so as to permit it to request and carry out a single cargo charter flight. North East Cargo will poll the carriers listed on the attached service list.

Anatoly Petlyuk (Home Address: Russia, Magadan, **13** Sovyetskaya Street, Apt. 4); and **(2)** the position of Deputy Director, Commercial Affairs, previously held by Mr. Viktor Shumsky, has been eliminated.

3. These services are consistent with the U.S.-Russia Air Transport Agreement (hereinafter "U.S.-Russia Air Transport Agreement"). Pursuant to the terms of the U.S.-Russia Air Transport Agreement, the Government of Russia has designated North East Cargo as a scheduled and charter cargo carrier with authority to provide services between the United States and Russia. As such, North East Cargo has been properly designated by the Government of Russia to perform foreign air transportation services between the United States and Russia within the meaning of 49 U.S.C. § **41302(b)(2)**. Such designation was formally communicated by the Russian Government to the Department prior to the issuance of North East Cargo's initial exemption. North East Cargo holds current operating authority from the Russian Aviation Authority.

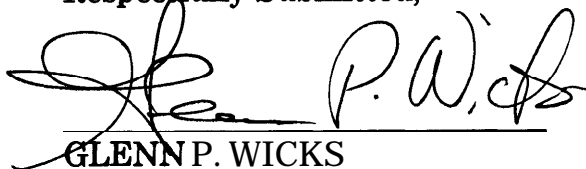
4. A grant of North East Cargo's request is also in the public interest because it would be in keeping with the Department's long-stated policy that provision for authority under an air transport agreement *isprima facie* evidence that grant of a foreign air carrier permit authority is in the public interest. Annlication of Aerovias Venezolanas S.A. ("Avensa"), Order 86-8-88; Application of Singapore Airlines Limited, Order **85-10-16**; Application of Singapore Airlines, Order 83-3-132; Annlication of Fast Air Carrier Ltd., Order 82-2-66; Annlication of China Airlines, Order **80-12-117**.

5. A grant of North East Cargo's exemption request would not constitute a major regulatory action under **14** C.F.R. Part **313** as North East Cargo's annual fuel consumption will not exceed 10 million gallons. Thus, grant of this exemption will not constitute a "major regulatory action" as that

term is defined by Section 102(2)(c) of the National Environmental Policy Act and will not require the submission of additional information relating to energy consumption. See e.g., 14 C.F.R. § 313.4.

Wherefore, North East Cargo respectfully requests that the Department grant this application or such other or further relief as is appropriate and consistent with the public interest.

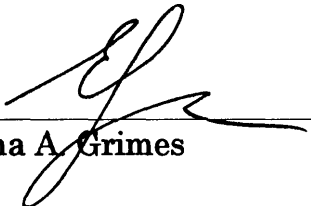
Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Glenn P. Wicks", is written over a horizontal line.

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(202) 637-5683
Counsel for
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CERTIFICATE OF SERVICE

I hereby **certify** that I have this 18th day of May, 1998, served a copy of the foregoing Application for an Exemption by fax and **first-class** mail, postage prepaid, to the individuals on the attached Service List.



Ekaterina A. Grimes

Service List

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